

CHAPTER 7	PAYROLL ACCOUNTING
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POLICY TITLE: OFFICIAL RECORD OF PAYROLL EXPENDITURES

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POLICY

The Commonwealth payroll system is the official record of time and compensation for Commonwealth employees. Compensation for all Commonwealth employees should be paid correctly every biweekly pay period (2 weeks). Any payroll adjustments to an employee's record are to be made within 30 days (2 pay periods) of the original date the error occurred. This will ensure that all employees are paid and records are accurate within 30 days of service.

Payroll adjustments are necessary when an employee's payroll or leave earnings are in error, or a new decision has been made that affects an employee's original payroll or time and attendance entry.

Types of Payroll Adjustments

Payroll adjustments fall into one of two categories, **Errors** or **New Decisions**. Errors refer to incorrect or incomplete information on an employee's previously processed payroll record. New decisions refer to situations where the employee has a pending decision about their employment status and based on the result of the decision, adjustments have to be posted to reflect the correct outcome.

Examples of Errors

Payroll earnings
Overtime earnings
Leave earnings
Employee Off Payroll
Termination

Examples of New Decisions

Industrial Accident
Grievances
Extended Illness Leave Bank
Suspensions w/No Pay
Collective Bargaining

Adjustments to correct payroll errors are to be processed as prior period adjustments within 30 days (2 pay periods) of the date the original error occurred. Adjustments to correct the results of new decisions are to be processed as adjustments in the current pay period, using the Comments field on the adjustment to identify the original time period the adjustment pertains to. The date for new decisions is the date of notification (i.e. the date of the implementation memo for collective bargaining decisions).

If the adjustment pertains to a prior fiscal year, affects expenditures, and the accounts payable period is over, departments must request a deficiency payroll from the Department of Assistance Bureau at the Office of the Comptroller. If the adjustment pertains to a prior fiscal year and does not affect expenditures (i.e. leave balance adjustment), departments are to make the adjustment in the current pay period and use the Comments field on the adjustment to identify the actual day(s) the adjustment is for.

Departments will be monitored and those posting prior period adjustments greater than 30 days old will be notified that they need to be in compliance with the 30 day policy and will be required to immediately resolve the error that is not in compliance.

Payroll Adjustments:

- Are administered by the Department;
- Are required to be processed within 30 days of the date the error originally occurred; and
- Are monitored by the Office of the Comptroller.

APPLICABILITY	This policy applies to all Commonwealth branches and Departments.
RESPONSIBLE PARTY	The Office of the Comptroller and the Human Resources Division jointly establish/identify the policy on Payroll Adjustments.
AUTHORITY	Massachusetts General Laws, Chapter 7A, Sections 3, 7, 8